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SUBJECT: PANAMA USAID BOOSTS SUSTAINABLE DEVELOPMENT IN  
DARIEN REGION

Summary

1. (U) Now in its second year, the USAID-funded Darien Development program can boast significant achievements. The local community sees the USAID programs as the most successful aid effort in the area. It has boosted micro enterprises, improved market access, and advanced sustainable forestry in the region. The three-year, \$6 million dollar program is nearing its ending point in FY 2006. End Summary.

Successful USAID Efforts Reach More Darien Communities

2. (U) On Tuesday, August 2, POLINTERN met with USAID Officials to discuss the Agency's ongoing work in Darien Province. USAID originally selected 55 communities to take part in its Darien Program, although that number has grown to 63. Communities selected are small and isolated, with populations comprising rural dwellers, indigenous groups (Embera, Wounann, Kuna, and Choco), Afro-Darienitas and Colombian refugees. In an effort to determine local needs and development goals, USAID representatives sit down to plan ideas with community leaders. USAID provides materials, technical assistance, and training to build, for example, aqueducts, schools, tree nurseries, etc. while communities provide their own labor. Additionally, USAID has assisted fledgling micro enterprises to sell handicrafts and artisan products.

3. Among many achievements, rehabilitation of market roads has helped residents of remote villages reach Meteti, the Darien's biggest town, in two days instead of three, encouraging more economic exchange on both ends. USAID also helps farmers to manage, warehouse, and export a popular root crop called nyame. Best from the Darien, the root is used for soups and purees. USAID is promoting eco-tourism as another income generator for parts of the province. Moreover, USAID is working with indigenous communities to promote sustainable community forestry and cattle ranching in an effort to slow deforestation.

Darien Gap Poses Security and Transportation Constraints

4. (SBU) USAID selects communities along passable roads and navigable rivers to more easily meet with leaders and provide construction materials. USAID has some programs within 50 kilometers of the Colombian border. In part, the choice of locations is due to the Darien Gap in the Pan-American Highway. However, President Martin Torrijos has been non-committal in public regarding Colombian President Uribe's request to complete the Panamanian Highway through the Darien Gap. In private, senior GOP officials tell us that approval of the Colombian proposal is unlikely.

5. (SBU) Security issues in the Darien near the Colombian border involve the Revolutionary Armed Forces of Colombia (FARC) and other paramilitary groups crossing into the border regions. Chu stated that USAID has avoided involving communities near the border in the Darien Program due to the security threat to project implementers. She noted that communities closer to the border sell goods and livestock to FARC members. She claimed that trade is a purely economic exchange not due to sympathy with the FARC. However, the trade attracts a greater FARC presence and risks occasional threats from opposition paramilitary forces operating in the area such as the United Self-Defense Forces of Colombia (AUC).

Security Regarding Police Redeployment

6. (SBU) Recently, PNP Director Perez redeployed police from the Darien region to help quell recent strikes in Panama City against President Torrijos' Social Security reforms. Chu said this had not affected local security because few of the communities where USAID operates have a daily police presence. As Embassy has reported elsewhere, however, these deployments have placed a strain on the PNP including morale of units stationed in

Darien.

The Outlook for Future Programs: Deforestation  
Jeopardizes San Miguel's Shrimpers

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17. (SBU) USAID officials noted that the Gulf of San Miguel, an inlet of the Gulf of Panama on the Pacific Coast, is of particular importance to Panama as it is home to nearly 80% of Panama's shrimping industry. Deforestation in this area could have an impact on coastal water quality, dealing a serious blow to the shrimpers. However, neither public officials nor the private sector have made watershed protection a priority. USAID has no current plans for San Miguel but would like to support a potential program spearheaded by a local business, NGO, etc.

Comment

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18. (SBU) Programs that encourage lasting infrastructure in the Darien such as roads and water pipelines are essential for the economic and political integration of this isolated area. Those priorities are even more relevant considering that President Torrijos and other GOP officials have made it clear they will make no decision in the short-term to complete the Darien Gap in the Pan-American Highway System. In addition, a greater capacity to interact with larger, neighboring communities is a key defense for smaller communities against possible spillover from the Colombian conflict. During POLINTERN's July 14 trip to the Darien, most villages on the Metiti Police map showed a pushpin indicating drug trafficking, people trafficking, FARC presence, or AUC presence.

19. (SBU) Deforestation is obvious in and around the Pan-American Highway. The tree line has receded visibly from the road while livestock and ranches dot much of the landscape. Not only does this pose a continuing risk to the region's ecology, it could also hinder Panama's attempt to mirror Costa Rica's eco-tourism boom.

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